GGI CONFERENCES GMBH

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WORKSHOP SUMMARIES

Structuring Investment into Australia
Allan Farrar
Iain Spittal

As a developed country in the Asian region, with a stable legal system, clear regulations, no currency constraints and a stable system of Government, Australia is seen as an attractive destination for overseas investment.

There are many Asian investors looking to invest in property or business in Australia and with plentiful investment opportunities in areas such as resources, agriculture, food manufacture/processing, education and professional services, the supply of suitable assets is high.

Australia is, however, a highly regulated system and it is vital for clients to understand their rights, obligations and opportunities within the tax system, thereby ensuring that investments are appropriately structured from the initial set-up. In this regard, it is difficult to change investment structures once they have been put in place if the outcome of such a change is to derive a tax benefit. Thus, it is very important, that advice is taken early in the investment process on the most appropriate structure.

Some Asian companies are also considering the advantages of Australian Securities Exchange (ASX) listing as Australia is considered a very stable investment environment which can provide capital for expansion of Asian interests.

Allan Farrar is a Corporate Finance specialist with experience in initial public offerings, purchase and sale of businesses, valuations, due diligence reporting and capital raising and will host the session.

The session will be co-hosted by Iain Spittal, a tax specialist who has over 8 years of experience assisting inbound investors optimize their tax position in Australia

The New Emerging Nations – is BRICs Passé?
Dipankar Chatterji

The concept of BRIC (an acronym for Brazil, Russia, India and China) was coined by Jim O'Neill, global economist at Goldman Sachs in a 2001 paper entitled "Building Better Global Economic Brics".

It was predicted in the paper that these four countries which encompass over 25% of the world's land coverage and over 40% of the world's population would overtake the developed G7 economies by 2027.

In the years following the publication of the BRIC report these four emerging nations showed sharp rise in growth rates and scripted spectacular development stories with China overtaking Japan in terms of GDP.

While the developed nations like USA, Japan, UK, Germany and France are still ahead of Brazil, Russia and India in terms of GDP, it is predicted that China and India will become the dominant global suppliers of manufactured goods and services, while Brazil and Russia will become similarly dominant as suppliers of raw materials.

In the post global meltdown years, however, questions are being raised about the original BRIC theory as demand for commodities slacken, especially from China and commodity prices show volatility after a period of sustained rise.

The growth curves of the BRIC countries are showing dissimilar patterns with China still in the lead but with lower growth rates and slackening growth rates in India, Brazil and Russia.

Economists are now forecasting that the fastest rates of growth will probably be seen in a few other emerging nations such as South Korea, Mexico, Turkey, Czechoslovakia and probably Poland and Indonesia. There are also a few rank outsiders from this emerging list of nations who could break into this high growth club.

In an increasingly interconnected world driven by increasing volumes of global capital flows and global trade, what is the future pattern of growth? Will access to resources be enough to drive growth or will differentiating factors such as reforms, governance and capacity to innovate become increasingly important?

Managing A Successful Practice – Current Challenges Facing the Profession
Alan Rajah

This workshop covers Lawrence Grant's experience in how they have developed a UK based accounting/tax practice and turned it into a successful international practice due to their membership with GGI.

The idea of the workshop is to highlight the problems facing the profession and perhaps find a collective solution to the problems.

Among others, the issues below will also be covered:

- Recruiting & retaining qualified staff (e.g. sending key staff on GGI EasyMeets)
- Succession planning & partner compensation
- Practice growth
- Dealing with complex personal issues
- Reducing legal liability exposure
- Improving billing & collection
- Strategic planning
- Keeping pace with technology changes
- Improving the effectiveness of your administrative functions
- Performance measurement and benchmarking

What You Need to Know When Performing Financial Due Diligence, Especially in China?
Ricky W.P. Wong

A financial due diligence is often required before buying a new business or getting into a joint venture by investors. It is a critical process to ensure that financial information and accounting data provided by the target are accurate.

More importantly, the process aims at identifying deal breakers, if any, at an early stage so that negotiation parameters could be set. If the target is located in another country, financial due diligence would pose significant challenges and risks due to geographical diversity, different business culture and complex legal structures which are unfamiliar to investors.

For example, the resilient economic performance of China during the global downturn continues to make it an attractive place for M & A deals. However, performing financial due diligence in China is not easy as financial reporting standards in China are far less sophisticated than those in the Western countries.

Besides, failure to comply with tax and social contribution requirements is very uncommon, especially by domestic enterprises.

Therefore, this workshop intends to look at some of the common issues surrounding M & A deals in China, such as:

- Quality of local audit
- Two sets or even more accounting records kept by the target
- Non-compliance of social contribution requirements
- Valuation of inventories and receivables
- Incorrect cut-off procedures and revenue recognition
- Issues of related party transactions
- Tax filings and reporting system

Ricky will share his experience on some of the actual M & A deals that he has handled for his clients in China.